

RATE DEVELOPMENT BRANCH

INSTRUCTIONS

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ALL INCLUSIVE RATE PER DISCHARGE DATA

In accordance with Section 51546(a), Title 22, California Code of Regulations, reimbursement for hospital inpatient services is the lesser of:

1. Customary charges;
2. Allowable costs determined in accordance with applicable Medicare standards and principles of cost reimbursement;
3. All-inclusive rate per discharge; **or**
4. The peer-grouping rate per discharge.

The information submitted on the **Rate Development Branch Schedules** is used in the calculations of the all-inclusive rate per discharge. The following acute hospital types are not subject to the all-inclusive rate per discharge limitation:

1. Rural hospitals; and
2. 100 percent psychiatric hospitals.

Please complete the **Rate Development Branch Schedules**, pages 1 through 5, and sign the certification on page 2.

The information for page 3 must be extracted from the submitted Medicare cost report (CMS 2552-96). Please note that if your hospital was under contract for all or part of the year, you must complete the requested data for both the contract period and the noncontract (cost settlement) period.

The primary information source for pages 4 and 5 should be extracted from your hospital's general ledger and appropriate books and records.

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PAGE 3

The information on this page should be taken from the Medicare cost report form (CMS 2552-96).

Page 3 has both contract and noncontract portions. When the facility is both a contract and noncontract Medi-Cal provider, the Title V column on Work Sheet (W/S) E-3, Part III (CMS 2552-96) should be used for contract services and the Title XIX column for noncontract services. Otherwise, the reported data will be shown in the Title XIX column.

When applicable, the allocation of Medi-Cal charges and utilization data between contract and noncontract must be completed by all providers.

Total hospital discharges (item D) are not to include well newborns.

Total Medi-Cal discharges (item E) are not to include well newborns. A Medi-Cal eligible well newborn whose mother is not eligible for Medi-Cal should be counted. Medi-Cal discharges also include deaths. Count eligible beneficiaries whose Medi-Cal covered services were paid in full or in part by third parties when Medi-Cal was also billed for the services.

PAGE 4

It is recommended the general ledger be used as the primary information source. The reference numbers on the schedule refer to the OSHPD Chart of Accounts, unless otherwise indicated. Only Gross Operating Expenses (item B) is taken from the Medicare cost report (CMS 2552-96)

PAGE 5

The information on this page should agree with the general ledger, which includes the payroll summary and accrual entries. Title 22, California Code of Regulations, Section 51545 (75, 76) states the following definition for Productive Hours and Productive Salaries:

Productive Hours

Means the total paid hours less hours not on the job. Hours not on the job include: vacation time, sick time, holidays, and other paid time off.

Productive Salaries

Means the total direct payroll costs for productive hours related to a given classification.